



School of Management

# **Rewards as a Motivation Tool for Employee Performance**

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# Abstract

The aim of this research was to explore three vital issues in human resource management mainly: to ascertain whether rewards motivate employees, identify what kinds of rewards employees consider most beneficial and finally discuss some dilemmas and difficulties managers face in applying motivation theory to workplace setting. The research is informed by various literatures on the most effective and efficient ways of motivating employees to enhance high performance to **and to** achieve organizational goals. Most of the available literature on motivation shows that while motivated employees are essential for organizational goals, managers are often confronted with the challenge of coming up with the right mix of rewards which will motivate their employees for enhanced productivity.

In this research, the perceptions of rewards as motivation and the dilemmas managers face in motivating their employees were explored through an analysis of **twenty (20)** interviews with people in various positions and organizations in the Accra and Tema municipalities of the Greater Accra region of Ghana. The respondents were all employees who also had oversight responsibilities as managers or supervisors of between five to ten people.

The analysis of the **twenty (20)** interviews suggests that while the use of rewards is vital in motivating employees, there is the need for management and employers to have a clear understanding of the human nature and what actually motivates employees. **The research further suggests** that efficient motivation program stems from a mixture of extrinsic and intrinsic rewards instead of focusing on any one particular one. Additionally, most of the challenges managers face in motivating their employees can be eliminated or reduced when myths surrounding motivation are discarded and individual differences in terms of valence, preferences, and aspirations are incorporated. **Finally, enhanced motivation can be attained when managers do their best to design the work setting so they become motivators in themselves while at the same time eliminate demotivating factors at the work place.**

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# CHAPTER 1: INTRODUCTION

## 1.1 Background

The work environment has undergone considerable changes over the past years in terms of the nature and scope of work. The changing nature of the work environment has necessitated different ways of management approaches. Yet an important and constant factor has been the ways in which managers motivate their workers to help achieve not only the organizational goals but also that of their own personal ones.

This difficulty stems from both the complex nature of the work environment as well as the wide array of people employed within them. Human beings are by nature not homogeneous entity. They have a variety of needs, aspirations, as well as differing perceptions of what constitute appropriate rewards for effective motivation. Thus motivating workers requires an in-depth understanding of the human nature, individual differences and perceptions of appropriate rewards and incentives, as well as a combination of extrinsic and intrinsic rewards.

Unfortunately most managers tend to believe, rather erroneously that they can adequately motivate their workers by offering rewards such as higher pay, bonuses, and paid vacations. Morse (2003) notes that, in most cases there exist an 'extrinsic incentive bias' which is perpetuated by both managers and employees. As noted by Atchison (2003), this bias does not stem from reality but are rather rooted in myths surrounding employee satisfaction. Research has however shown that such monetary incentives do not motivate workers and may in certain circumstances become demotivators. Shanks (2007:32) asserts that monetary reward 'motivates only to a point; that is, when compensation isn't high enough or is considered to be inequitable, it's a demotivator'.

## 1.2 Relevance of the Study

In trying to motivate employees, the Ghanaian situation is not different. Managers tend to focus more on monetary incentives and perks as motivating tools for their employees. This research will attempt to investigate the following:

- a. Ascertain whether rewards motivate employees.
- b. Identify what kinds of rewards employees consider most beneficial.
- c. Discuss the dilemmas and difficulties managers face in applying motivation theory to a workplace setting.

This research is geared towards senior management and board members of private or public organization to help them come up with appropriate forms of rewards to enhance employee motivation.

### **1.3 Methodology**

The first part will be based on the administration of open ended semi-structured **face-to-face** interviews to a cross section of Ghanaian workers drawn from the Accra and Tema municipalities of the Greater Accra region of Ghana. We deem this method as very essential as it will give the interviewees the opportunity to elaborate on their responses. Another advantage of semi-structured interviews is that it can be more fluid and allows the respondents to take the conversation in different directions. As Mason suggests, an essential way to generate data is to ‘interact with people, talk to them, listen to them, and to gain access to their accounts and articulations’ (1996:39).

Secondary data such as books, journals, articles, and online sources will be incorporated to provide in-depth analyses of the issue of motivation. Here, works that have been done by various authorities on motivation will serve to open up the dialogue on motivation and rewards as well as serve as a platform for further research.

### **1.4 Purpose of the Study**

Companies and organizations everywhere need employees to work with. However, while getting employees can easily be done through the recruitment process, there is the more



difficult task of keeping them motivated to work hard to achieve improved performance and to attain both organizational and personal goals. Shanks (2007:25) notes that managers erroneously 'often assume that employees are motivated or will respond to inducements from managers' without realizing that not all employees will be motivated. More so, she asserts that in reality majority of employees are 'motivated by any number of factors, while others may not share that same drive or high level of motivation' (Shanks 2007:25). This situation calls for managers to have a clear understanding of the human being. D'Ausilio (2008) however suggests that most managers are either too busy or don't take the time to understand the concept of motivation and therefore fail in their quest to effectively motivate their workers.

**The purpose of this study is to explore employee perception about motivation, to come up with reward systems that will not only be valued but will effectively motivate employee.**

## **1.5 Thesis Structure**

The research was divided into **six** chapters. Chapter one of the thesis focused on the introduction to the problem. **In Chapter Two we reviewed** various literatures on rewards and motivation. Theoretical frameworks regarding rewards as motivation, as have been proposed from McGregor's Theories X and Y, Maslow's hierarchy of needs, Alderfer's existence, relatedness and growth (EGR) theory, McClelland's acquired needs theory and Herzberg's two-factor theory were reviewed. The chapter **also reviewed** literature on more contemporary theorists who opined a paradigm shift to a more humanistic approach to management and employee motivation. The chapter concludes with an exploration of extrinsic and intrinsic rewards and incentives. Analyzing these various theoretical perspectives enhances a greater appreciation of the choices of reward systems that different managers choose to motivate their employees.

**In Chapter Three, we looked at a few empirical studies and descriptions on motivation.** Chapter **Four** outlined the methodology that was used in the thesis. Specifically, we reviewed literature on the advantages and disadvantages of qualitative interviewing and the use of questionnaires. We also described the recruitment process, sample size and other

characteristics such as the issue of reliability and validity, confidentiality, informed consent among others.

**In Chapter Five**, the perceptions of rewards as motivation was analyzed from the point of views of **twenty (20)** interviewees who were drawn from different companies and industries from the Accra and Tema municipalities of the Greater Accra region of Ghana. Here we explored the three research issues as stated in our relevance of study.

**Finally in Chapter Six**, we revisited the larger issues presented at the beginning, arguing that while rewards are a key component of employee motivation, critical problems could arise if not done properly. Most importantly, we argued that there is the need for management to have a paradigm shift from the myths surrounding employee satisfaction to rewards that incorporate the needs, aspirations, and goals of employees. By viewing employees as individuals and not a homogenous entity, rewards can be more effectively structured to properly motivate workers which will in turn enhance performance.

# **CHAPTER 2: LITERATURE REVIEW**

## **2.1 Early Approaches to Motivation and Performance Management**

During the early 1400's, a lot of research were done with regards to employee motivation and performance management such as; monitoring of the pace of work being set by management, which is found in the records of the Arsenal of Venice, where wages and quality of work (performance) were closely controlled in the manufacturing and assembly shops and both piecework and day rates were applied as required to compensate employees (George, 1972).

After rising through the ranks from an apprentice to becoming a Chief engineer at the Midvale Steel Company, FW Taylor developed the scientific management where he began to develop his intuition on shop management (1878-90). The main idea behind Taylor's scientific management was to link efficiency to performance. Taylor tried so many techniques to improve efficiency and employee performance but most often he encountered resistance from employees. He noticed that workers tend to slack on the job due to a situation he termed as 'soldering'; where workers believed that if they worked faster, they would put others out of work. Based on his observations, Taylor concluded that a monetary reward was the ultimate motivator for improved performance (Taylor, 1911).

## **2.2 What is Motivation?**

Motivation is an interesting, challenging, and complex area of Human Resource Management studies which is rapidly changing both in terms of its nature, understanding, functions, purpose, as well as mode of application. It is generally agreed that managers need employees to work with. These employees do not only have to show up at work but more importantly they need to be motivated to perform their duties. Motivation can be defined as a driving force which leads people to want to act, perform, or do something without pressure or undue manipulation.

## 2.3 Is Motivation Necessary?

**In his famous book, Punished by Rewards, Alfie Kohn (1993) argued that rewards are not necessary for employee motivation. He noted that manipulating people through the use of incentives and rewards works only on a short term basis, but ultimately fails and can even cause lasting problems in the long run. Drawing on a number of studies, Kohn argues that people end up losing interest in the work they do and rather do inferior work when they are enticed by grades, rewards and incentives. He thus advocated for the total abandonment of the use of rewards and incentives as motivation in organizations.**

**Despite the above arguments, motivation continues to be an important aspect of every work environment. Managers everywhere want employees or teams who are efficient, effective, focused and committed to the organizational goals or mission. Employee performance has been noted to be highly correlated to their level of motivation. Motivation is the driving force that spurns employees' eagerness to work. It is thus essential that in addition to the provision of the right work environment, employees get the right combination of motivational programs to propel them to higher performance.**

Research has shown that motivation is an essential tool that managers use to attain not only higher performance, but also a form of inspiration to retain high performers in order to achieve greater productivity. Bessel et al assert that 'managers use motivation in the workplace to inspire people to work, both individually and in groups, to produce the best results for business in the most efficient and effective manner'(2002:1).

Employees will only perform efficiently if their managers are motivating them effectively. Managers responsibility thus include 'combining good motivational practices with meaningful work, the setting of performance goals, and use of an effective reward system...to establish the kind of atmosphere and culture that is needed to excel'(mindtools.com).

In a rapidly and ever changing work environment, motivated employees are essential tools for the very survival of companies, organizations, and industries. Motivated employees tend to be more productive and are critical for organizational survival.

## 2.4 Who Motivates Employees?

**It is often agreed that it is the ultimate responsibility of managers to motivate their employees.** Shanks (2007:24) **however** argues that; ‘while rewards may serve as incentives and those who bestow rewards may seek to use them as motivators; the real motivation to act comes from within the individual’. This is because managers can only influence employees with a combination of rewards to motivate them to perform but cannot force them. The onus therefore lies on the individual to choose to perform or act. To this effect, it is essential that with the issue of management and motivation, both managers and employees play a critical role in the process of motivation. Effective motivation can therefore only be achieved when both managers and employees act in partnership.

## 2.5 Dilemmas Managers face in Motivating Employees

Managers are aware that their job involves getting things done through their employees. In this regard, managers should be able to motivate their employees to attain high productivity. Unfortunately managers are often confronted with the challenge of coming up with appropriate rewards and programs that would keep their employees motivated. These dilemmas stem from a lack of understanding and/or general misconceptions about motivation and employee satisfaction. Morse notes that ‘managers are not as good at judging employee motivation as they think they are. In fact people from all walks of life seem to consistently misunderstand what drives employee motivation’ (2003:283). Some of these misconceptions are discussed below.

1. ***One-size-fits all reward and recognition.*** Most managers use this concept as a way of recognizing, rewarding and motivating their staff. The problem with this kind of program is that it refuses to acknowledge individual differences in human beings and lumps all employees together into a homogenous group. It is important to note that individuals have different motives, and may act in different ways and be motivated by different things. Moreover, people’s cultural, educational, religious background, and even sexual preferences may

influence what motivates them. It is thus essential that managers tailor rewards and recognition ‘as a way to focus on and understand the individual and his/her unique qualities’ (Atchison, 2003:21).

2. ***Money is the ultimate Motivator.*** This idea of money being the ultimate or sole motivating force was first proposed by Taylor (1911). With such misconception, certain managers either focus or tend to have a bias for monetary rewards. However Shanks notes that monetary ‘compensation motivates only to a point; that is, when compensation isn’t high enough or is considered to be inequitable, it is a de-motivator. In contrast, when it is too high, it also seems to be a de-motivator... and results in individual performance being tempered to protect the higher compensation level’ (2007:32). Further, Atchison argues that ‘as soon as money is predictable, it is an entitlement, not a motivator’ (2003:21).

3. ***Not everyone can be motivated.*** Managers with this perception tend to ignore the idea of motivation in total. However as Shanks notes, ‘everyone is motivated by something, the problem for some managers are that “that something” may not be directed toward the job’ (Shanks 2007:21). Thus the job of the manager is to try and identify the specific motivational factor for such individuals and channel them towards ‘job-related behaviours’ (Manion 2005:285).

4. ***All motivation is either Extrinsic or Intrinsic.*** Managers tend to think that motivation is either extrinsic or intrinsic and thus focus on just one of them, ignoring the other. Morse argues that in most work settings, managers and even employees tend to have a bias towards extrinsic rewards. Manion however argues that it is critical for managers to remember that ‘typically, a combination of factors motivates employees, not just one type of extrinsic or intrinsic reward’ (2005:283). It is therefore crucial that managers make the effort to combine both reward methods to achieve effective motivation method or program for their employees.

Aside the myths or general misconceptions which often affect effective motivational practices and programmes, Bessel et al also note that managers are faced with a further dilemma of identifying what actually motivates employees. They note that this lack of proper identification is further compounded as ‘managers lack knowledge in implementing successful motivational programs that increase production and create a positive work environment’ (Bessel et al. 2002:1). They caution that ‘managers should not assume that people feel valued just because they continue to be productive, nor that what works for them in terms of recognition and reward, will work for others’ (Bessel et al. 2002:2).

Finally, managers attempt to motivate their employees often fail because when they identify one way of motivating them, they stick with it without varying them. This situation leads to repetition which ends up losing its essence thereby becoming ineffective way of motivating employees.

## **2.6 What are Rewards?**

Malhotra et al. define rewards as ‘all forms of financial return, tangible services and benefits an employee receives as part of an employment relationship’ (2007:2097). It is without doubt that every employee expects some level of reward after delivering a function or task. Employees expect employers to deliver or execute designated duties to their satisfaction whilst employees also expect their employers to assure them of adequate wages and salaries (rewards) after they dutifully deliver what is expected of them. According to the oxford dictionary; performance, which originates from the word ‘perform’, is to carry out, accomplish or fulfil an action, task or a function. The reward for executing a task or a function is what is termed as motivation. Even though people work for salary or wages (rewards), there are numerous ways of rewarding (motivating) employees according to the task or function performed.

## **2.7 Extrinsic and Intrinsic Rewards**

Rewards basically falls into two categories; extrinsic and intrinsic rewards. Shanks notes that

extrinsic rewards are 'a host of external things that managers can provide that may serve as incentives for employees to increase productivity' (2007:30). These include money, benefits, bonuses, promotions, flexible schedules etc.

According to Shanks, intrinsic rewards are internal to the individual and are in many ways less tangible. In fact, they are highly subjective, in that they represent how the individual perceives and feels about work and its value' (2007:30). Malhotra et al (2007:2098) argue that 'intrinsic rewards are inherent in the content of the job itself' and include 'motivational characteristics such as skill variety, autonomy and feedback' as well as employee participation in decision making and role clarity (Gilsson & Durick, 1988, Singh, 998). Manion (2005) also notes five types of extrinsic rewards which can be summarized as healthy relationship, meaningful work, competence, progress, and choice.

Researches into rewards as motivation tend support two schools of thoughts with regards to extrinsic and intrinsic rewards. One school of thought argues that extrinsic rewards are more powerful and effective in attaining employee motivation, performance and commitment (Angle & Perry1983) while the other school of thought argues that intrinsic rewards are best suited for motivating employees (Brief & Aldag 1983).

## **2.8 Rewards and Motivation**

Most organizations view rewards as a means of motivating certain behaviours in employees. Specifically, rewards are intended to motivate employees to perform effectively and efficiently towards achieving organizational goals. Malhotra et al. (2007:2095) note that no matter the kind of organization one looks at, 'rewards play an important role in building and maintaining the commitment among employees that ensures a high standard of performance and workforce stability'.

The rationale for the use of rewards is to motivate or induce certain behaviours among employees which are viewed as beneficial for enhanced performance while inhibiting other behaviours which they perceive as detrimental to organizational growth and performance. This is best achieved under what Vroom terms as expectancy models. Martin argues that the 'the



basis of expectancy models is that motivation is a function of the desirability of the outcome of behaviour (2005:442). That is to say, an individual is motivated to produce expected behaviour if he or she is certain that that behaviour will lead to certain rewards. The expectancy model is discussed in detail under Vroom's Expectancy Theory.

## **2.9 Rewards and Employee Satisfaction**

The ability of managers to obtain employee satisfaction with rewards is a complex process. Indeed, it is a function of several related factors which any manager who intends to achieve it must critically study to be able to positively implement.

First, each employee satisfaction with rewards is intrinsically related to what he or she expects from the organization and what is actually received. Feelings of satisfaction or dissatisfaction occur when employees compare their inputs such as education, job skills, and effort to the mixture of intrinsic and extrinsic rewards which they receive from their organizations.

Employee satisfaction or dissatisfaction is also influenced by comparisons they make with other people in similar job positions and organizations. It is no secret that employees keep comparing their input/output ration with colleagues in similar positions and organizations even though such comparisons are not always properly done. In most cases, employees tend to overestimate their input when making such comparisons. The onus therefore lies on managers to adequately and effectively communicate job performance appraisal methods to employees to avoid misperceptions and wrong comparisons.

Finally, many authors have noted that employee satisfaction results from a mixture of rewards other than any one particular reward (Shanks 2007, Bessell et al. 2002, Drake et al, 2007). Evidence from various researches done over the years suggests the importance of both extrinsic and intrinsic rewards. To achieve enhanced employee satisfaction, neither one can be substituted for the other. Employees who are well paid but are made to work in environments which are not conducive or made to do repetitive work will leave for other organizations because of the lack of intrinsic rewards just as employees who work in interesting and enabling work environment will leave because they will be dissatisfied with extrinsic rewards.

## 2.10 The Links between Motivation, Performance and Rewards

As stated earlier on, the process of motivation requires a partnership attitude between management and employees. Managers can however play a key role by having great in-depth understanding of the linkages between motivation, performance and rewards to help their workers stay motivated on the job. This is because the process of motivation requires more than just the provision of adequate rewards. It encompasses other equally vital elements some of which are discussed below.

**Creating an Enabling Environment** While managers require motivated employees to work with, an often overlooked factor is the circumstances under which work activities take place. When the work environment is not conducive, or there exists negative attitude, it becomes difficult for employees to be motivated. Bessell et al, argue that ‘if a supervisor or team leader approaches the workplace with a positive, upbeat attitude about the work projects, that enthusiasm should transfer to associates, thus creating a better work environment’ (2002:2) and vice versa.

It is essential that managers are advised to ensure that behaviours are either rewarded or punished in a timely manner. Dubrin notes that ‘for maximum effectiveness, people should be rewarded shortly after doing something right and punished shortly after doing something wrong’ (2004:302).

Other issues which can impact the work environment in one way or the other pertains to mutual respect between managers and employees.

**Communication** Adkins (2006:26) notes that communication is very essential to keeping employees motivated and helps in maintaining a ‘motivated culture’ in the workforce. She notes that there is the need for managers to put in ‘a system of regular staff appraisals and stresses that it is crucial to clearly articulate what the objectives of the business are’ (Adkins 2006:26). By so doing, employees can get a clear sense of what is expected of them She stresses further that managers need to let ‘people know how they contribute to the company and how they make a difference’ (2006:26).

**Role Clarification:** According to Malhotra et al., role clarity is ‘the degree to which employees perceive that required information is provided about how the employee is expected to perform his or her job’ (2007:2102). They assert the importance of role clarification to employee commitment, motivation, and performance. They note that such employees are more likely to be committed and motivated to work than those who perceive ambiguity in their job functions or that their roles have not been adequately clarified

**Coaching:** Coaching has been noted to be an art of management which when done properly raises the level of motivation in employees. Authorities on management styles have noted that coaching takes a paradigm shift from traditional management style which focuses on control and compliance and rather dwells on efforts by managers to unravel actions and behaviours which allows employees to be more productive in the work setting. Dubrin argues that ‘because of the uniqueness of a coaching relationship, the person being coached is better motivated to accomplish goals for the good of the organization (2004:309).

**Participation in Decision Making:** This is the degree to which employees perceive that their input with regard to decision making is valued or that they are able to influence decisions at the workplace especially with regards to their job functions. Malhotra et al. argue that employee participation in decision making ‘is seen as an indirect means of communicating managerial expectations of work behaviour’ (2007:2102) and can be a motivating force for employee performance.

**Feedback:** Various researchers have touted the importance of feedback that managers give to employees have on motivation (Young et al. 1998, Malhotra et al. 2007, Hackman & Oldham 1976). According to Malhotra et al, feedback; ‘includes the recognition and praise received from immediate superior for good service delivered’ (2007:2102). Armstrong (2001) asserts that feedback is an important intrinsic motivational tool. It is important to note that the effect of feedback on employee motivation is heightened when it is specific rather than generalized and given in a timely manner. This allows the employees to focus on areas which require improvement.

## 2.11 Drawbacks of Rewards as Motivation

The use of rewards (especially monetary rewards and benefits) as motivation for employee performance is seen to have certain drawbacks which can undermine the purpose for its use. Key in this area is the fact that monetary rewards yield temporary compliance and fails to act as a permanent or long term motivation.

Other authors have noted that in the long term employees tend to view monetary rewards such as benefits and bonuses as entitlements thereby losing its motivation effect. Moreover, because such rewards are only temporary and do not induce long term motivation, employees end up getting stuck in a constant cycle of agitating for more to satisfy their immediate wants (Shanks 2007).

Finally, rewards fail to tap into individual initiatives or their free will and in most cases, assume that without them, the individual cannot be innately motivated to perform. With such assumptions, managers end up emphasizing the extrinsic rewards to the detriment of the intrinsic ones.

## 2.12 The Theories of Motivation

Dealing with motivation is a complex task, many literatures have researched into motivation and performance but there is no single and clear strategy to employee motivation and performance. **For** an organization to succeed, it requires the input of its employees, adequate motivation/reward (pivot) to achieve the organization's goal. Humans are by nature inconsistent **in** the way they translate rewards. At every point in time, the need and anticipation for an individual varies. For example, the need for a young and newly recruited individual might be different from that of an employee who has few years till retirement. Conclusively, every individual has needs different from others. To achieve success in an organization, the question bores down to "how effective rewards motivate employee in order to perform efficiently".

Several theories of employee motivation in relation to performance has been established, a few of which are reviewed below.

## 2.12.1 McGregor's Theory X and Theory Y

In his book, *The Human Side of Enterprise*, McGregor looked at the management systems that existed during his time and divided management approach into two essential psychological types. The conventional view of management which he terms as Theory X resembles a top down approach to management. He noted that managers who employed theory X approach perceived people as needing direction and control. According to McGregor, this perspective assumed that:

- a. Management is responsible for organizing the elements of productive enterprise- money, materials, equipment, and people – in the interest of economic ends.
- b. With respect to people, this is a process of directing their efforts, motivating them, controlling their actions, modifying their behaviour to fit the needs of the organization
- c. Without this active intervention by management, people would be passive- even resistant – to organizational needs. They must therefore be persuaded, rewarded, punished, controlled – their activities must be directed.
- d. The average man is by nature indolent- he works as little as possible
- e. He lacks ambition, dislikes responsibility, prefers to be led
- f. He is inherently self-centered, indifferent to organizational needs
- g. He is gullible, not very bright, the ready dupe of the charlatan and the demagogue(McGregor 1960)

McGregor notes that with such assumptions, management tends to be of two opposing types. On the one extreme end, management tends to be strong, where the methods of directing or managing behaviour involve coercion and threat. On the other extreme end, management approach tends to be soft, whereby the need of management to maintain harmony leads to permissiveness. McGregor notes the inappropriateness of both forms of management types as coercion and threats generate resistance while extreme permissiveness leads to inefficiency. In

addition, both management approaches are wrong because man as a social being needs more than financial rewards at work, he has higher and deeper order of motivation, with the opportunity for self fulfilment toping them.

He asserts that to understand why the conventional perception is wrong one needs to look at the nature of human motivation. Human motivation, according to McGregor, is ordered in a hierarchical manner of importance: the physiological needs, safety needs, social needs, ego needs, and self-fulfilment needs.

At the physiological level is the need for food, water, etc. These are also ordered such that when he is hungry, he ignores all others. The safety need, which includes protection, against danger and threats begins to dominate once the physiological needs are fulfilled. He notes that the 'arbitrary management actions, behaviour which arouses uncertainty with respect to continued employment or which reflects favouritism or discrimination, unpredictable administration policy ... can be powerful motivators of the safety needs' (McGregor 1960). The need for a sense of belongingness to the group constitutes the social need. Above the social need is ego need which relates to the need for reputation and self esteem. Finally there is the self-fulfilment need, to 'realize one's potentialities, continued self-development and for being creative in the broadest sense of the term' (McGregor 1960).

Each lower level of need will continue to remain important until it has been satisfied. Thus a satisfied need is not necessarily a motivator of behaviour but rather a motivator to achieve or fulfil the next level of need.

McGregor therefore proposed a shift in perspective by incorporating a humanistic approach through the 'integration of the individual and organizational goals' (McGregor 1960), a perspective he terms as Theory Y and resembles a bottom-top approach. He indicates that:

- a. The various elements of a productive enterprise (such as: money, materials, equipment, people-in the interest of an economic end) are the core responsibilities of management.
- b. People become passive or resistant to organizational needs as a result of their experience in the organization but not because they are naturally passive in nature.

c. Human characteristics, such as their readiness for development, their inward ability of taking responsibilities, their zeal be organizationally oriented are all imbibed in people but it is the responsibility of management to make them recognize and exhibit the potential abilities.

d. The crucial responsibility of management is to ensure that the organizational conditions and methods of operations are properly arranged, to enhance people to adequately achieve their own goals by directing their effort towards the organizational objectives.(McGregor 1960)

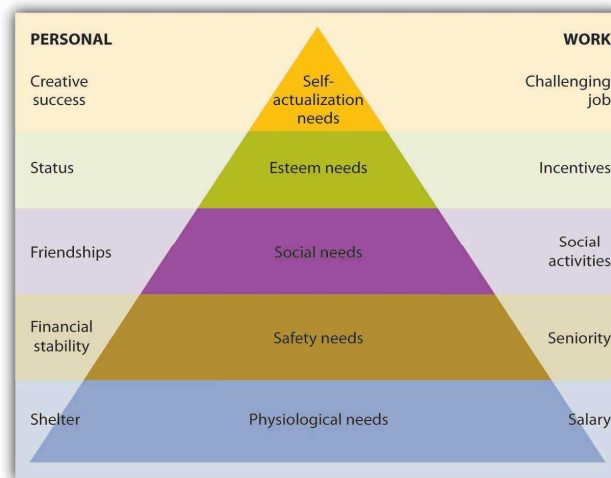
McGregor notes that a more accurate assumption about human nature and human relation such as the above is essential to managing human relations, motivating employees, and achieving efficiency at the work place.

### **2.12.2 Maslow's Theory of Motivation – Hierarchy of Needs**

In his book Motivation and Personality, Abraham Maslow's (1954), introduced the theory of Hierarchy of Needs. The Hierarchy-of-Needs theory focused on the idea that human beings are motivated by unsatisfied needs, and that the attainment of a lower need only leads to the quest for the satisfaction of a higher need.

Maslow **classified** human needs into five categories; physiological, survival, safety, love, and esteem. He notes that for a person to act unselfishly, all five needs must be satisfied. He called these needs 'deficiency needs'. As long as we are motivated to satisfy these cravings, we are moving towards growth, toward self-actualization.

In order to present an adequate motivation at the workplace, leaders must be able to identify and understand the active need of the individual. Maslow's model (See Figure 1) indicates that fundamentally, lower-order needs like safety and physiological requirements have to be satisfied in order to pursue higher-level motivators along the lines of self-fulfilment.



Source: [www.web-books.com/eLibrary/NC/B0/B661057MB66.html](http://www.web-books.com/eLibrary/NC/B0/B661057MB66.html)

**Figure 1: Maslow's Hierarchy-of-Need Model**

a. **Self Actualization:** According to Maslow (1954), self actualization is the highest need that could fully satisfy an employee. He however notes that because of the open nature of this need, it can never be fully satisfied. Maslow (1954) further **argues** that, just a meagre percentage of employee population actually get to this level of self-actualization. This kind of motivation offers employees, the opportunity to get involved in activities such as innovations, creativity, etc. Such need includes truth, justice, wisdom, and meaning.

b. **Esteem Needs:** According to Maslow (1954), it gets to a point in everyone's life where one needs belongingness. Employees need to feel that they are part of the organization or that 'their voices can be heard'. This kind of need may come in two forms; satisfying internally and externally. These include internal motivations such as self-esteem, accomplishment, and self-respect, as well as external motivations such as recognition, reputation, and social status.

c. **Social Needs:** Maslow (1954) identifies social needs as needs of getting associated with social activities such as friendship, societies, groups or any form of socialized group.



d. **Safety Needs:** He notes that safety need is the need that liberates one from harm, fear or any form of physical threat Maslow (1954). These comprise needs relating to job security, medical insurance, healthy working environment, etc.

e. **Physiological Needs:** According to Maslow (1954), physiological needs are the driving force of any human being, they satisfy the basic needs that one needs to survive or sustain life. These basic needs include air, water, food, sleep, etc. Without physiological needs, life is not worth living. If anyone is denied of this need, then one has not choice than to survive by all means.

### **2.12.3 ERG Theory of Motivation - Clayton P. Alderfer**

**Clayton P. Alderfer proposed the *EGR (Existence, Relatedness, and Growth) Theory of motivation in 1972 which can be seen as a review of Abraham Maslow's Hierarchy of Needs.*** (See Appendix I for Similarities between Maslow and Alderfers theory). He notes that managers need to understand that each employee operates with the need to satisfy several motivators simultaneously. Based on the ERG theory, managers who focus exclusively on one need at a time do not effectively motivate their employees.

Alderfer (1972) uses the frustration-regression principle (See Figure 2) to explain the impact of motivation on employee performance in the workplace. He notes that regression in employee performance is a result of restricted growth within the work setting and therefore employees tend to regress to fulfilling related needs. Employees may also exhibit the desire for more money or better working condition when managers fail to satisfy the need for social interaction.

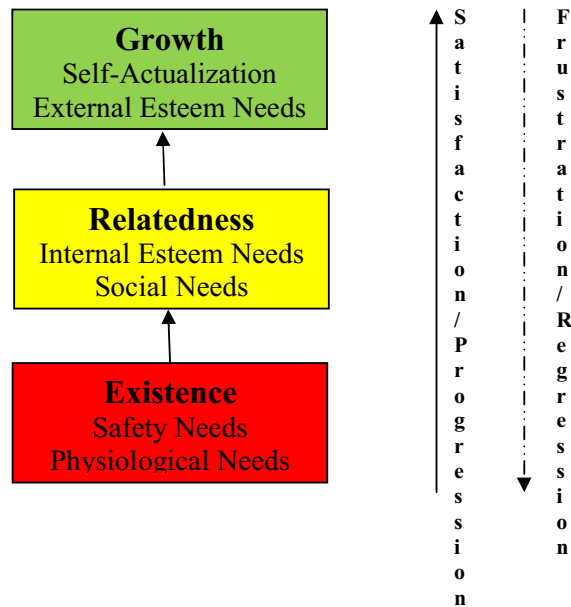
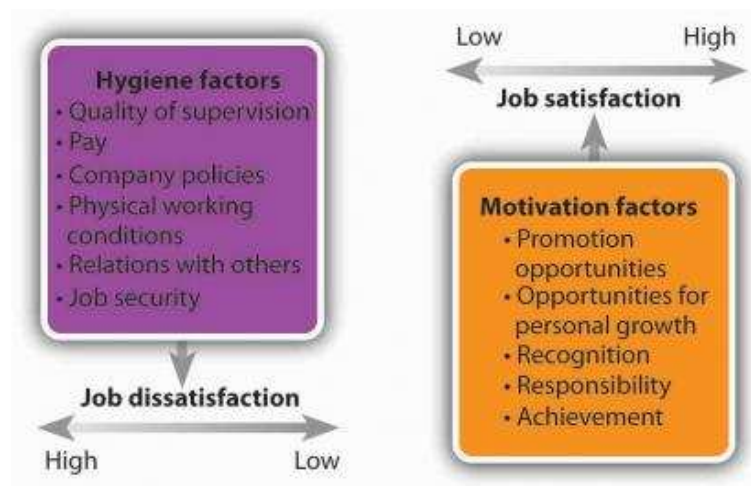


Figure 2: ERG Model

### 2.12.4 Herzberg's Motivation – Two Factor Theory

Fredrick Hertzberg (1959) carried out numerous researches on employee motivation. Herzberg used the critical incidents approach to determine what makes an individual feel good or bad about their work. He conducted interviews with 203 accountants and engineers from organizations around Pittsburgh in the USA (Herzberg, 1974; Herzberg et al., 1959). **His analysis suggested that** factors that led to employee satisfaction were vastly different from those that resulted in dissatisfaction. He characterized this as the two-factor theory of motivation and named the categories motivators and health factors. According to Herzberg, these factors explained the relationship between motivation and job satisfaction.



Source: [www.web-books.com/eLibrary/NC/B0/B661057MB66.html](http://www.web-books.com/eLibrary/NC/B0/B661057MB66.html)

**Figure 2: Herzberg Two Factor Theory**

### 2.12.4.1 Hygiene Theory

Herzberg **argued** that the factors which when absent, caused dissatisfaction were the hygiene factors. These factors look at the context within which a job is carried out and other extrinsic issues. The presence of these factors might not necessarily motivate employees but if absent, may cause dissatisfaction. These factors include:

- a. Salary
- b. Working Condition
- c. Job Security
- d. Level and quality of supervision
- e. Company policies and administrative procedure
- f. Interpersonal relationships at work.

### 2.12.4.2 Motivation Factors

The motivating factors were those that could motivate the employee to improve on their work performance. These factors which he **termed** as intrinsic are primarily concerned the content of the work, and the way in which it comes together to form a meaningful whole. He asserts that for managers to achieve improved performance, they need to include certain factors into the job setting in order to develop intrinsic motivation with the workforce. He notes that these factors include:

- a. Achievement
- b. Recognition
- c. Growth / advancement
- d. Interest in the job

Motivation factors result from internal instincts in employees, yielding motivation rather than movement. According to Herzberg (1959), both hygiene and motivation approaches must be done simultaneously. He points out that the lack of positive levels in the hygiene factors does not lead to de-motivation, but rather, to dissatisfaction. High level of hygiene factors do not also lead to motivation, but rather; satisfaction. High levels of motivation factor will undoubtedly lead to motivation **whereas** low level of motivation will reduce the overall level of motivation, but will not create dissatisfaction; rather a feeling of non-satisfaction.

### 2.12.5 David McClelland: Achievement Motivation

According to McClelland (1961), not everyone is achievement oriented. McClelland's research develops a different set of needs as the basis of motivation. He notes that some people have a need to achieve whilst other do not. He **focused** his attention on studying the urge for individuals to achieve. He asserts that the basis of employee motivation includes such factors as:

a. Achievement

b. Affiliation

c. Power

He points out that individuals perceive the need for achievement differently and this motive can be distinguished from other needs. He stresses that; achievement motive can be isolated and assessed in any group. McClelland maintains that; 'achievement-motivated people are not gamblers but rather, they prefer to work on a problem rather than leave the outcome to chance' (McClelland, 1961).

According to McClelland (1961), achievement-motivated people are those individuals who have an imbibed desire to always improve upon their status. He notes that such individuals are people who focus on getting things done. These people have the potential of becoming managers but most often are not able to live up to expectation because they are mostly job-oriented; they work to their full capacity. There is likelihood that such job-oriented people, lack interpersonal or human skills which are necessary for effective management. Even though people may have the competence and ability to be productive, they tend to require a high need of affiliation towards their job, and if this is not present, then effective management cannot be achieved. In this case, overemphasis on productivity alone frustrates people and prevents them from exhibiting their maximum potential. Without developing their human skills, achievement-oriented people might not make the best managers in an organization. McClelland (1961), asserts that being a job-oriented individual and a good producer do not necessarily make you an effective manager if you lack human skills.

According to McClelland, achievement-motivated people have certain unique characteristics which include;

a. the capacity to set high personal but obtainable goals,

b. the concern for personal achievement rather than the rewards of success, and

c. the desire for job-relevant feedback rather than for attitudinal feedback (McClelland, 1961).

## 2.12.6 Vroom's Expectancy Theory

Victor H. Vroom (1964) **looked** at the whole paradigm of motivation in a slightly different perspective. He introduced the expectancy theory of motivation as a function of desirability of the outcome of behaviour. This is also referred to as the path-goal-theory; which indicates that rewards are attributed to certain behaviours, thus; if an individual believes that behaving in a particular way will generate rewards that the individual values or seek, they will be motivated to behave in line with what is expected of them. Unlike Maslow and Herzberg, Vroom notes the importance of such factors as effort, motivation and performance in motivation. He stresses that for a person to be motivated; effort, performance and motivation (outcome), must be linked (See Figure 5). He proposes three factors that account to motivation as:

- a. Expectancy
- b. Instrumentality
- c. Valence



Source: [www.web-books.com/eLibrary/NC/B0/B661057MB66.html](http://www.web-books.com/eLibrary/NC/B0/B661057MB66.html)

Figure 3: Vroom's Expectancy Model

### 2.12.6.1 Expectancy

Expectancy deals with the probability that an outcome will be achieved; that is, putting in more effort will result in an increase in reward. According to Vroom, expectancy is affected by such things as:

- a. Having the right resources available, such as; raw materials and time

- b. Having the right skills to do the job
- c. Having the necessary support to get the job done, such as; supervisor support, or correct working procedures (Vroom, 1964).

### **2.12.6.2 Instrumentality**

Vroom notes that Instrumentality deals with what you get from what you deliver; that is, receiving a valued outcome after one delivers an expected performance. According to him, instrumentality is affected by such things as:

- a. Clear understanding of the relationship between performance and outcomes – e.g. the rules of the reward ‘game’
- b. Trust in the people who will take the decisions on who gets what outcome
- c. Transparency of the process that decides who gets what outcome

### **2.12.6.3 Valence**

Vroom notes that Valence is the importance or value that the individual places on the outcome. Valence is positive if the individual wants to acquire or achieve the outcome and negative is what the individual will like to avoid. If the individual does not place much value on the outcome, then their level of effort might change. Thus effort is directly proportional to the outcome.

According to Vroom (1964), if an employee perceives that:

- a. An increased effort will not increase performance
- b. An increased performance will not increase their rewards and/or
- c. He/She does not value the rewards on offer,

Then there is a negative valence. Thus for a positive valence; all three perceptions must be cleared by the employee. If any one of the perception possible, then the employee will still not be motivated, all three doubts must be cleared before a positive valence will be achieved.

## 2.13 Summary

From the above it is clear that various theorists have attempted to explain the issue of motivation from different points of view. One recurring issue is **that everyone is motivated by one force or the other. This force is intrinsically related to their own desires to achieve various achieve goals.** Motivation is thus the means through which people achieve performance and are all routed in the cognitive processes of what is expected, valued, and received. For managers to motivate employees therefore there is the need to understand these processes in order to come up **with** appropriate reward programs for effective motivation.

For more theoretical explanations on motivation, see discussions on the similarities between Maslow and Alderfer's theory, Porter and Lawler's expectancy theory which looks further into Vroom's ideas, Adams Equity theory, and Locke's Goal theory in appendix I.



# **CHAPTER 3: EMPIRICAL DESCRIPTIONS**

Various studies have been done to see the effect of the use of rewards as motivation for employee performance. While some of the studies indicate that the use of rewards as motivation enhances employee performance, others note that rewards do not motivate. We describe some of these research findings in this chapter.

## **3.1 Effect of Financial Rewards on Performance**

In a recent study by Veling and Arts, the authors aimed at examining ‘whether monetary rewards can reduce failures to act on cued task goal’ (2010:188). With a research sample comprising of thirty-six (36) undergraduates, the authors experimented to see how quick their respondents reacted to specific tasks when given a range of monetary rewards ranging from low to high rewards. The studies found out that giving relatively high monetary rewards, led to ‘overall faster responses’ to the specific tasks given to respondents. The authors noted that respondents overall fast response to task was positively correlated to the high rewards given them. Conversely, the authors also noted that when rewards were on the low side, respondents either slacked or showed little in the task at hand. Their finding is consistent with other studies which noted that relatively high monetary rewards may function as a catalyst for enhanced effort or determination by employees to perform well (Bijleveld et al. 2009, Locke and Braver 2008, Waugh and Gotlib 2008).

In a meta-analysis of seventy-two field studies, Stajkovic and Luthans (2003) found that the use of monetary rewards by organizations led to a 23% improved performance while social recognition and the giving of feedback improved task performance by 17% and 10% respectively. The authors however noted that when all three forms of incentives were combined, it led to a 45% improvement in task performance. They thus concluded that financial incentives or rewards only improve task performance moderately to a significant level. The effectiveness of the use of monetary rewards is thus contingent on the conditions which pertain in the organization in question.

**A second meta-analysis by Stajkovic and Luthans (2003) focused only on manufacturing and service industries. The authors noted that the use of financial incentives or rewards generally led to improved performance in manufacturing industries than the service ones. Significantly, their findings suggest that a combination of financial, nonfinancial, and social rewards produced the greatest effect in task performance.**

**Another meta-analysis of 39 studies done by Jenkins et al. (1998) focused specifically on college students. Here, the authors were interested in the effect of the use of financial rewards on the quality and quantity of performance. The study noted that the use of financial rewards is positively related to the quantity of performance but not its quality.**

### **3.2 Employee Participation**

**In a 1986 research, Spector, looked at the effect that employees participation in the workplace processes and decision making have on their performance level. The study concluded that employees who perceive they are involved in decision making, or have a level of control over the job processes are ‘more satisfied, more motivated, and more committed to the organization’ than those who perceive lack of control or feel left out in decision making processes of the organization (Perry et al. 2010:508).**

**Interestingly, a meta-analysis of participation research by Wagner (1994) concluded that employee participation has a positive effect on employee performance but in a limited way. He asserts that despite the limited effect of participation on performance, organizations should provide opportunities for employee involvement albeit in issues that are geared towards specific processes and with limited duration. This according to Locke and Schweiger (1979), is because the relationship between participation and performance is contingent on various contextual and interrelated factors which requires critical considerations.**

### **3.3 Effect of Goal Setting on Performance**

A review of 11 meta-analysis and 6 narratives on goal setting research by Perry et al. suggests that, 'goal setting does increase individual, group, and work unit performance' (2010:509). They note that employees performance improve significantly when they are given specific goals to perform rather than when they are left with no goals or vague goals. They note that vague goals or 'do your best' inhibits creativity and effort thereby becoming demotivators whereas challenging and specific goal setting is critical for improved performance.

### **3.4 The Ghanaian Situation**

The Ghanaian situation about employee rewards and performance motivation tends to focus primarily on salaries and wage adjustments. The minimum wage in Ghana keeps increasing each year. According to a Ghana News Agency report dated 25th January 2010, 'at the beginning of 2010 the daily minimum wage was adjusted from GH¢2.65 to GH¢3.11, indicating a seventeen percent increment. This increment was arrived at after deliberations between labour and employers'. Meanwhile, the Ghanaian government has adjusted the tax-free threshold from GH¢240 to GH¢1,008 per annum in order to improve remuneration for low income earners (<http://www.ghananewsagency.org>).

There have been series of strikes as a result of perceived unfair remuneration and wages. Recently, Polytechnics Teachers Association, Ghana (POTAG) was on strike, asking Government for wages and salary adjustments (<http://news.myjoyonline.com>). This was followed by the University Teaches association of Ghana (UTAG) who also embarked on a weeklong strike because of unfair wages, salaries, and conditions of work which they claimed did not serve to motivate them to work.

The Ghanaian government at the beginning of 2010 introduced a new public sector pay policy, the Single Spine Salary Structure (SSSS) as a means to curb the recurring strikes by Ghanaian workers and to motivate workers to stay on the job. The new salary system is meant to be a unifying pay is ...new pay policy is a unified structure that places all

public sector employees on one vertical structure, to ensure that jobs within the same job value range are placed under the same salary category ( <http://news.myjoyonline.com>).

Performance appraisal has been a lot of challenge for the Ghanaian employer, on 31st May 2010, the Electronic Performance Management Software (E-PMS) was introduced in Ghana. This system is believed to have a high level of transparency and objectivity in staff performance appraisal.

According to the Minister of State at the Presidency, Alhassan Azong, ... ‘to enable Ghana to be on a level playing field with other countries, organizations will need to move with dispatch to design and implement internationally accepted systems for performance management’ (<http://news.myjoyonline.com>).

While the above governmental interventions are aimed at bridging the disparity in the wage system to ensure that Ghanaian workers are motivated, emphasis is still placed on monetary rewards without any attention being given to other areas of employee motivation. It is of no wonder therefore that workers in various sectors of the Ghanaian society are involved in a yearly striking ritual. As noted by various authors, monetary rewards only motivate employees to seek for more money.

### **3.5 Summary**

In this chapter, we have looked a few empirical works on the use of rewards as motivation for improved performance. Peculiar to the various studies is the fact that motivating employees requires a clear understanding of individuals and group processes as well as the need for any kind of reward program to be contextualized and not done in isolation.

# CHAPTER 4: METHODOLOGY

## 4.1 Introduction

This research **aimed** to explore the effect of using rewards as motivation and the kinds of rewards employees deem most effective. Further, we delve into the challenges and dilemmas managers face in applying motivation theory in the work setting. The project is informed by various literatures on motivation and the use of rewards. While most authors ascribe to the use of using rewards to motivate employees, they also caution on the negative effects associated with sole reliance extrinsic rewards.

In this chapter, we outline the methodology used in this thesis. We specifically review literature on the qualitative research, strengths and weaknesses of qualitative interviewing, research philosophy, discuss certain ethical considerations which are critical to the success of the research, and delve into the issues of reliability and validity in qualitative research. We conclude the chapter with a description of the recruitment process, sample size and the sample itself.

## 4.2 Research Approaches

According to Eldabi et al (2002), for any particular study to be regarded as being scientific, it must be guided by scientific principles both in the methodological process and its application. Eldabi et al (2002) note that the choice of research method is important in every research as it forms the basis for analysis of data collected. Researchers therefore have to adopt a method which not only lends itself to proper data collection but also allows for credibility and reliability of the analysis.

Basically researchers have to choose between quantitative and qualitative research methods. Quantitative research method was originally developed in the natural sciences to study natural phenomena or occurrences. Examples of this method include surveys and laboratory experiments. On the other hand, qualitative research methods were developed in the social

sciences to enable researchers to study social and cultural phenomena through such modes as participant observation, case studies, interviews and questionnaires, ethnography, etc. The underlying assumption for the use of qualitative research method as opposed to quantitative research method is the fact that the former attempts to understand human phenomena which does not easily lend itself to quantification. Kaplan and Maxwell (1994) argue that any attempt to understand such social phenomena gets lost when data is quantified. In this research we have chosen to use qualitative research method because we believe that motivation is a social phenomenon which needs to be contextualised to enhance greater understanding of it and not quantified.

### **4.3 Qualitative Interview**

Mason describes qualitative interviewing as ‘in-depth semi-structured or loosely structured forms of interviewing’ (1996:38). He notes that qualitative interviewing is a purposeful conversation between two people. He argues that the underlying premise in qualitative interviewing is based on the notion that knowledge and data ‘are generated via the interaction, because either the interviewee(s), or the interactions itself, are the data sources’ (Mason 1996:38).

Qualitative interviewing can take three forms; structured, semi-structured and unstructured. In structured interviews, the researcher uses a ‘predetermined and standardized list of questions’ (Dunn 2000:52). Here respondents are asked the same questions, in the same order. Semi-structured is similar to structured interviews in that they also follow the same pattern of questioning, however they allow for flexibility in the way both the researcher and interviewee respond to issues. The flexibility inherent in semi-structured interviews allows the researcher to probe further for explanations or take the conversation in a different direction or order. Unstructured interviews are quite different in that the researcher does not have a strict set of questions to follow. Here, the line of conversation is directed by the informant. The researcher keeps the flow of conversation going by using various prompts.

#### **4.4 Strengths and Weaknesses of Qualitative Method**

The qualitative method offers us some advantages. Qualitative interviewing method has the advantage of being flexible and more fluid. Our choice of open ended semi-structured interviewing method strategic approach in that allows the researcher and the respondents to either take the conversations in different directions as well as seek for clarification where necessary. Such clarification enables the researcher to know what is more important to the respondents in terms of rewards and their perceptions about appropriate motivation methods.

Because the respondents are free to elaborate and are not restricted to answers provided by the interviewer as is the case of questionnaires, it allows for more fluidity and gives an in-depth understanding of the issue being studied.

The face to face nature of interviewing also has the advantage of allowing the interviewer to pick up on nonverbal behaviours and cues that come up during the interview. The interviewer is then able to prompt the respondent into a deeper discussion or perhaps stay away from more sensitive issues which the respondent may be uncomfortable with.

As with every research method, there are limitations to the approach that we have adopted. We are aware of the challenges regarding interpretation of data associated with qualitative research. This is because unlike in quantitative research where the researcher deals with issues regarding experiments and mathematical modelling which are easy to measure and quantify, qualitative method deals with people's perceptions and values of their reality which is quite difficult to measure and quantify.

Another weakness associated with face-to-face interviewing is maintaining the confidentiality of respondents. This is particularly difficult because the researcher knows the respondent by face, name, and contact information. This situation is particular problematic as the interviewer constantly 'poses a threat to the respondent, particularly if the information is incriminating, embarrassing, or otherwise sensitive' (Bailey 1987:175).

## **4.5 Research Philosophy**

According to Myers (2000:1), 'all research ...is based on some underlying assumptions about what constitutes 'valid' research and which research methods are appropriate'. For example, Guba and Lincoln (1994) have noted four paradigms in qualitative research: critical theory, constructivism, positivism, and post-positivism. Yin (2002) dwells on the positivist approach as the underlying philosophy in case study research while others like Chua (1986) focus on epistemology, positivist, interpretive and critical. For the purpose of this research we will focus on epistemology. Epistemology deals with knowledge and how it can be obtained. In using qualitative interviewing method, we made the epistemological assumption that evidence and knowledge is 'contextual, situational and interactional' (Mason 1996:39). According to Oka and Shaw (2000:1), researchers who use qualitative method 'attempt to understand meanings that people give to their deeds or to social phenomena'. We hope that through such interaction with our respondents, we will be able to ascertain their perceptions of the use of rewards as motivation for performance as well as contextualise the problems that managers face in motivating their employees.

## **4.6 Ethical Considerations**

Every research which involves human beings deals issues relating to ethics which must be given critical considerations. Oka and Shaw (2000:14) argue that qualitative researchers should focus on such ethical issues especially as 'the nature of qualitative research adds its own complications'. They note in particular issues pertaining to confidentiality, informed consent, emotional safety, and reciprocity which researchers need to give critical attention to. In this research we are particularly concerned with issues relating to confidentiality and informed consent of our respondents.



## **4.7 Confidentiality**

Confidentiality is a key component and a critical requirement for any credible research. As Oka and Shaw (2000:15) have noted 'very few people would willingly express their most private details, opinions and emotions in public documents knowing that their names would be published'. For a researcher then, assuring your respondents of their confidentiality is a vital requirement for successful research. In this vein, researchers must go a long way to maintain anonymity of their respondents. However, Berg (1998) notes that mere anonymity especially by way of changing names of respondents are not sufficient for safeguarding confidentiality. This is because in research involving small cities, people can easily associate names of places and events thereby undermining the confidentiality of respondents and sometimes endangering their lives. For this matter, Oka and Shaw (2000:15) implore researchers to as much as possible maintain the confidentiality of respondents by 'changing the facts where necessary as long as these changes do not distort the essential elements of the report'.

## **4.8 Informed Consent**

Informed consent in qualitative research relates to obtaining the consent of respondents to use the information they give you for academic purposes. In this regard, researchers are obligated to inform respondents in no uncertain terms the purpose for the research and what the information they give to the researcher would be used for. After these have been explained, the respondents' written consent must be obtained otherwise; their information cannot be used for the research. Bartunek and Louis (1996) assert that informed consent is vital because of the flexible nature of qualitative research which may cause problems. They note that quite often respondents are not fully aware of the types of events which might unfold during the course of a study. In this vein, informed consent 'must then reflect awareness that such events cannot entirely be predicted' (Bartunek & Louis (1996:58)).

## 4.9 Reliability and Validity in Qualitative Research

The issue of reliability and validity has been of great concern to many researchers. Most researchers deem reliability and validity important concepts in research as a means of portraying if a study is worth giving attention to.

Joppe defines reliability as 'the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable' (2000:1).

Inherent in the above definition is the idea of how observations, results, and the outcome of a research can be repeated or retested in a consistent manner. Thus the ideas of reliability and validity were more common in quantitative research. As noted by Golafshani (2003:598), quantitative researchers 'attempt to fragment and delimit phenomena into measurable or common categories that can be applied to all of the subjects or wider and similar situations'.

According to Joppe, in quantitative research, 'validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to "hit the bull's eye" of your research object?' (2000:1).

Embodied in the above definition is the idea of whether the measurements in a research are accurate and further attempts to ascertain if it measures what the research intended to measure. Because quantitative research deals with facts and figures, the issues of reliability and validity as defined above can be seen as appropriate an applicable.

In qualitative research however, researchers do not deal in figures, mathematical modules, or measurable things, thus making the above definitions inapplicable. Golafshani argues that 'unlike quantitative researchers who seek causal determination, prediction, and generalization of findings, qualitative researchers seek instead illumination, understanding, and extrapolation to similar situations' (2003:600). Here the focus is more on an attempt to 'understand a situation that would otherwise be enigmatic or confusing' (Eisner 1991:58). Thus in this study, we are more concerned with providing an understanding on people's perception of the use of

rewards as motivation and the difficulty and dilemma faced by managers in applying theories of motivation in the work setting instead of attempting to prove what constitutes appropriate motivation. Such an endeavour of shedding light on motivation and people's perception of rewards can only be understood within the context that the study is being undertaken. Moreover, because knowledge is socially constructed, it may change depending on the circumstances surrounding it.

The question then arises, 'is there no place for reliability and validity in qualitative research'? While authors like Stenbacka argue it does not, since the concept has to do with measurement, others like Seale (1999) argue that it does exist. We tend to agree with Seale in this regard that reliability and validity has a place in qualitative research. However, instead of focusing on whether results can be repeated in a consistent manner, emphasis is placed on the quality of the research which in turn should be 'judged by its own paradigm' (Golafshani 2003:601). For example, Lincoln and Guba (1985) argue that it is essential that the terms reliability and validity are replaced with more appropriate ones like credibility, neutrality, dependability, and confirmability.

#### **4.10 Recruitment Process**

Recruitment was **done in two phases** through advertising for volunteers in selected companies (Tema Oil Refinery, Zenith Bank, Intercontinental Wapic Insurance, Barclays Bank, Ghana National Petroleum Company Ltd. Fidelity Bank, Agric Development Bank, Chapel Hill Advisory Partner, Enterprise Insurance, Guinness Ghana Ltd.) in the Accra and Tema municipalities of the Greater Accra region of Ghana. Signs asking for volunteers were given to managers of these companies which were then posted on company notice boards (Appendix B). **The first process yielded fifteen (15) participants, six (6) females and nine (9) males. However three respondents withdrew leaving a total of twelve participants five (5) of whom were from Tema and seven (7) from Accra. The breakdown of the respondents in terms of gender was five (5) females and nine (9) males.**

**The second phase of the recruitment process yielded thirteen (13) respondents, five of whom later withdrew leaving a total of eight (8). The gender breakdown of the second**

**phase of recruitment process was made of up five (5) females and three (3) males.**

Potential respondents contacted either one of the researchers through phone or email. Once contacted by a potential volunteer, we responded by elaborating on the research process.

Respondents were assured that their participation was voluntary, and that they could withdraw their participation at any time. Further, respondents were told that they were at liberty not to answer any questions they deem offensive, insensitive, or inappropriate. They were also made aware that they would receive no monetary compensation for their involvement. To ensure participant anonymity and confidentiality, respondents were told that a coding mechanism would be used. We explained to participants that their interviews would be tape-recorded and would be approximately 45-60 minutes in length. An informational letter explaining the goals of the research, and the research process including the above listed points was also provided.

Potential recruits were asked for contact number or email address. We then set up time and place for the interviews. All interviews were conducted in public location selected by the participant (e.g. cafeteria or meeting rooms of their respective workplaces. Before commencing each interview, respondents were asked to review and sign an informed form (Appendix C). At the end of the interview, respondents were asked to indicate whether or not they wished to review their transcript once it became available. Those who wished their transcript were contacted through their phone numbers and email addresses. Following each interview, the respondents were provided with a feedback letter (Appendix D), to thank them for their participation and time.

After completion of the interviews we transcribed them. Those who requested to review were provided with their interview transcript. Three respondents requested to review the transcripts but made to changes to them. Access to the tapes and transcripts were restricted to the two researchers.

#### **4.11 Research Sample and Method of Analysis**

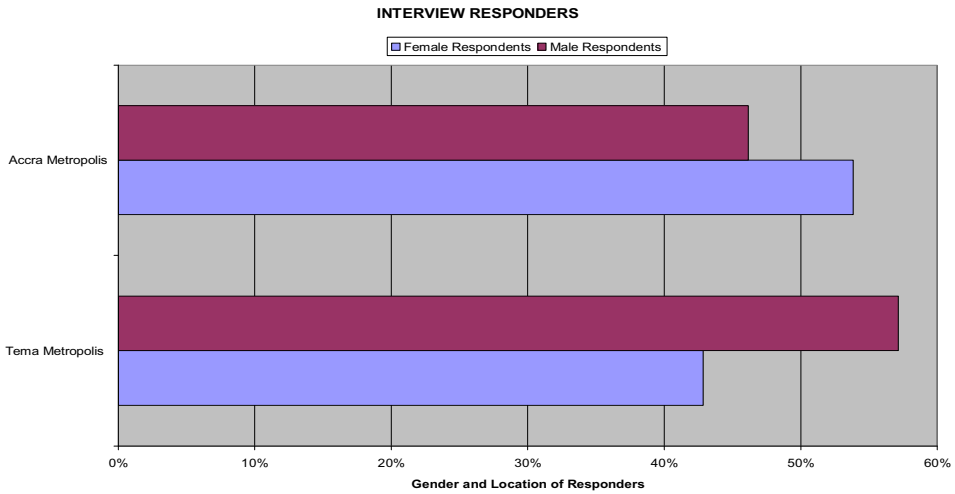
As indicated earlier on the advertisement for volunteers through the use of signs yielded a total of twenty-eight (28) respondents from both the first and second phases of the recruitment process who expressed interest to participate in the research. Eight volunteers later withdrew their participation citing time constraints and personal reasons. Our sample size therefore

ended up being made up of twenty (20) respondents comprising nine (9) females and eleven (11) males. All respondents identified themselves as Ghanaians. All twenty respondents were in a dual position as both managers with oversight responsibilities of between five (5) to ten (10) employees and were themselves under a higher management. In order to gather empirical data we chose to focus on a diverse range of companies such as the banking institutions, oil and gas companies, insurance companies and production companies. Below is the breakdown of the background information of the respondents.

**INTERVIEW RESPONDERS**

Gender	Tema Metropolis		Accra Metropolis	
	FIGURE	PERCENTAGE	FIGURE	PERCENTAGE
<b>Female Respondents</b>	3	43%	7	54%
<b>Male Respondents</b>	4	57%	6	46%
<b>Total</b>	7	100%	13	100%

**Table 1: Gender and Location of Respondents**



**Figure 4: Gender and Location of Respondents**

It is essential to note that these respondents represent a non-representative sample of workers in the Accra and Tema municipalities of the Greater Accra region of Ghana which makes it impossible for generalizations. However, this research did not aim at representativeness and generalizability. Instead of aiming to generalize the findings to all workers in the Greater Accra region of Ghana, this research was designed to be an exploratory study. By gaining

insights into respondent's perceptions on rewards as motivation and the dilemmas facing managers in implementing motivation theory in the work setting, we hope to identify possible themes, which could then be explored in more large-scale studies.

Following the transcription of the interviews, we then proceeded to an analysis of the transcripts. We began by examining the three research issues that we had set up to explore at the beginning of the thesis. We were interested in how respondents viewed the use of rewards as motivation, identifying what rewards they deemed most important and ascertain the kinds of dilemmas managers faced in applying motivation theory at the work setting. Following Ryan and Bernard's suggestion on data analysis, we focused on other major themes that came up in each interview by examining 'processes, actions, assumptions, and consequences' of the use of reward as motivation as perceived and experienced by the respondents (2000:269).

As indicated in our thesis structure, this chapter aims at analyzing data collected from our respondents through interviews. All data were gathered from the two main industrial cities in Ghana, namely; Tema and Accra. A total of twelve personnel in the management level of some selected companies were interviewed on questions related to our thesis (See Interview Questions in Appendix D).

## **4.12 Summary**

The purpose of the research was to look at perceptions of the use of rewards as motivation. The stories and accounts that formed the basis of this project were drawn from people living in the Accra and Tema municipalities of the Greater Accra region of Ghana. In this chapter, we examined the methodology used for this thesis. We focused on the strengths and weaknesses of qualitative interviewing, the issue of ethics, reliability and validity, recruitment process and a description of the research sample.

Recruitment was done through advertising for volunteers in selected companies in the Accra and Tema municipalities of the Greater Accra region of Ghana. Signs asking for volunteers were given to managers of these companies which were then posted on company notice boards.

**This process yielded twenty (20) participants, seven (7) from Tema and seven (13) from Accra.**

## **CHAPTER 5: DATA ANALYSIS AND RESULTS**

In our purpose of study we indicated that the research was aimed at exploring people's perceptions of the use of rewards as motivation. We were particularly interested in three important issues mainly:

- a. Ascertain whether rewards motivate employees
- b. Identify what kinds of rewards employees consider more beneficial
- c. Dilemmas & difficulties managers face in Applying motivation theories to the work setting.

In this chapter we explore the above issues one after the other through an analysis of the data collected. Following that, we will look at other themes that came up during the interview process which the respondents deemed important.

## **5.1 What reward schemes are in place for employees and how are these schemes implemented?**

In trying to explore the above question, respondents were asked to identify if they had some of reward schemes in place at their work setting. All the respondents indicated that their companies had various reward programs in place for workers. Consistent among all respondents was the fact that these reward schemes were dependent on employee performance. Three respondents indicated that rewards in their companies were either given across board for general target achievements whilst others were strictly individual performance based.

**Five** respondents indicated that rewards in their company took the form of career development for hard working and deserving personnel; where deserving employees are given sponsorships to develop their career in order to be promoted into a higher office, job role or position. All the respondents indicated that most of the rewards were cash related. **Three** interviewees from the Marketing department of an insurance company indicated that their reward scheme was purely commission based, where employee who were able to meet company target through the introduction of new customers into the business are given commission at the end of each financial year. **Four** respondents from the banking sector indicated that apart from the usual performance based rewards which are given across board, some form of employee recognition such as plaques, paid vacation, and letter of recommendation was given to the best performed worker annually.



**From the above it is obvious that in a way, managers and organizations deem it important or necessary that employees are rewarded in one way or the other for the work their employees do in order to keep them motivated to perform. What is not certain is why there seem to be a bias towards the use of monetary rewards over all other forms of rewards.**

## **5.2 Do these rewards schemes actually motivate employees?**

As indicated above, all respondents noted that their companies had one form of reward scheme or another in place for workers. They asserted that the purpose of these reward programs were to motivate employees to perform. The question that arose was whether the rewards that the respondents identified actually did motivate employees. Out of the **twenty** interviewees, three indicated that rewards actually motivated employees to perform. They stressed that if performance targets are achieved, then management has a mandate to reward employees. **To these respondents, rewards serve as a contractual phenomenon between employers and employees which must be honoured once one side achieves what is expected of them which then serves as a motivation force for employees.**

Three respondents however noted that rewards do not motivate employees. For these respondents, because these rewards are mostly monetary based, and are given at the end of the year to all employees regardless of performance. As noted by one respondent:

‘No, because even if you are productive or not during the year, you will be given a thirteenth month salary’ (Interview 001).

**The above response points to what Atchison (2003) cautions about the use of monetary rewards as motivation. Here, because employees expect to get rewards at the end of each year and managers do give it, there is a high level of predictability around it. As noted by Atchison, (2003), because the rewards are predictable, it loses its motivational appeal and becomes an entitlement.**

Another respondent indicated the complexities involved in the reward. She noted that reward given is contingent on employee's relationship with the manager. She stressed further that rewards do not always trigger employee performance because some rewards are not encouraging enough to challenge others to perform better. 'Not really, because if you know you are working with a manager who probably does not like you, you will always be graded C or D, meaning that no matter what you do, you won't get a bonus. For the long service awards, the parcels given are not really encouraging compared to other companies. Just a placard is not encouraging enough' (Interview 007).

**The above response points to what has been discussed in Vroom's valence theory which is also discussed by Dubrin (2004). They note that for rewards to motivate, the recipients must value what is given. When the recipient does not value the reward or does not view it as important as indicated above by interviewer 007, it loses its essence as a motivational tool for performance.**

### **5.3 Opinions on Monetary Rewards**

We were also interested in exploring respondent's perceptions on monetary rewards. Here we wanted to find out if monetary rewards were enough for motivating employees. From the interviews, the respondents noted that monetary rewards motivated them but only to a certain degree. Eight respondents asserted that even though employees desire monetary rewards, **when** that need is satisfied, they tend to look for further needs. All respondents indicated career progression as another key but limited factor that they feel could motivate employees to perform to their best. According to one respondent from the banking sector, 'most employees seek out monetary rewards but a **large** percentile is motivated by promotions and achievements (Interview 011).

The above respondent further indicated that majority of the staff in his company were in their fifty's and have worked for so many years in the same company and therefore, they do not desire promotions and achievements but rather they place prestige over monetary rewards to prepare or cushion their pension.

Another interviewee from the banking sector also indicated that employee value monetary rewards but also they do seek further motivation packages such as promotion. **She noted that: ‘Employees seek more motivation packages besides monetary ones such as training and promotion’ (Interviewer 018).** She however indicated that there was no such thing as promotion but rather, staff are only allowed to apply for internal vacancies and upon a successful interview, they attain new roles that might improve their current status. She added ‘no matter how many degrees you attain or the number of years of experience you attain during you current role, you won’t be promoted automatically’ (Interview 012).

**The above responses points to important aspects of motivation which are normally ignored because managers often tend to have a bias to one form of motivation, mostly monetary ones to the detriment of other forms. As has been noted by various authors, the best form of motivation is the combination of both extrinsic and intrinsic ones instead of a reliance on any one particular one (Perry & Mesch 2006, Shanks 2007, Bessell et al. 2002, Drake et al, 2007). Additionally, as people’s status at work change, their views on what constitutes appropriate forms of motivation also change. It is thus crucial that managers identify these varying situations and incorporate them into their motivational strategies to achieve high performance.**

#### **5.4 What Employees consider most Rewarding or Beneficial**

From the interviews, we noted that while monetary rewards seem to be the most widely used form of employee motivation, respondents pointed to other factors which they believed when implemented would be more rewarding for them. We noticed that only three respondents pointed to money. The other respondents made references to various other forms of rewards, mostly intrinsic ones. Four respondents alluded to training, clear career path, participation in decision making, and good working environment as most beneficial. **Eight** respondents identified meaningfully described roles and work schedules which commensurate to ones skills, qualifications and experience. Two respondents identified career progression, training and promotions as the bases for rewarding employees, since employees reckon that working without progression makes one dormant and may retard their performance.

Respondents identified feedback and commendation as one of the motivation tool to boost employee performance. In addition, some of them indicated that if the right tools are given for the job to be done, it become easier and meaningful to set achievable goals and targets. One respondent from the financial sector identified effective communication as one of the major tool for handling an employee in the event of an employee's mistake or inefficiency. She identified that the employee could be coached to become more effective but can only be successful if communication is properly executed. Two of our respondents indicated that fair treatment of employee salary could be more rewarding since employees in similar trades seem to earn competitive salaries than others. Another respondent believe that they become motivated to work if they are given the freedom to exhibit their inward abilities and talents in other to attain the goal of the company: 'when employees are given free room to operate, they tend to be at their best' (Interview 004).

Finally, all the respondents suggested that sharing ideas and opinions with colleagues or management could trigger their inward abilities, and if given the opportunity to make certain decision in the work place, they could improve performance.

## **5.5 Views on how rewards can best be designed to effectively motivate employees**

Following respondent's views that reward programs being implemented by their various organizations did not effectively motivate them, we wanted to find out their views on how rewards could be efficiently structured to achieve efficient motivation.

Most of the respondents (14) alluded to the fact that needs and aspirations vary among individuals and added that what they felt would motivate them at the moment might not motivate others or even motivate them in the future. They thus noted that there is the need to take individual differences into consideration. One respondent indicated the differing needs of **people** which he noted are based on their age and status in the company. This respondent further indicated that in her company, people in their fifty's did not care about promotions and achievements but rather they placed more importance on monetary rewards to prepare them for their pension.

Another respondent also indicated the importance of the use of reward programs that people value so that they would be attractive to motivate the employee to work harder. He added that if the reward has no value to an employee, the employee will never find it challenging to strive for it and therefore the reward might fail its objective.

Another respondent also said that management must be open and disclose the financial status of the company to employees. This way, employees may be circumspect when agitating for particular rewards. Two other respondents believed that achievable goals and targets have to be set and goal oriented tasks should be made clear to employees so that they can have an idea of what to expect if goals are achieved. They believed that if SMART (specific, measurable, attainable, realistic and time-based) goals are set and there is a clear understanding of what is expected of individual employees, it could check bickering among employees and create a competitive arena for employees to deliver.

**Four other respondents** also indicated that target must be well set and clearly communicated to staff in order to rightly appraise and reward deserving staff. **They added that from their experiences**, performance appraisal is the right way to rate performance but sometimes results a not always a good reflection of the person being appraised she cautioned that the practice could be biased, depending on the mood, perception and assumption on the part of the manager who is appraising employees. A respondent from the banking sector indicated that rewards could be designed by taking the appraisal system into consideration. She added that even though her company has the appraisal system in place, she believes that these systems should be tailor made with employee input in the system since some employees are not satisfied with their ranking on the appraisal system because she believes that individual perceptions and assumptions can alternate and may cause an employee to be wrongly appraised.

As noted by one respondent: 'Performance appraisal is not always a good reflection of actual performance if your manager dislikes you, he will never give you a good appraisal which may not be the exact reflection of what you are really worth. Also, if the manager likes you very much, you may not be performing well but he may give you good appraisal. It can therefore be very biased' (Interview 010).

The above respondent also suggested that the appraisal system should be encourage and done frequently than in her case where staff are appraised at the end of each year. Another respondent also supports the fact that staff appraisal should be done more than once in a year. Any rewards should be given to deserving staffs intermittently to encourage others to be motivated to work hard.

## **5.6 Dilemmas & Difficulties Managers Face in Applying Motivation Theories to the Work Setting**

In our literature review we noted a lot of motivational theories regarding the use of rewards as motivations have been suggested. However, as noted from our analysis so far, there seem to be a gap between what the theories suggest and what managers actually implement at the work setting. We were therefore interested in investigating the dilemmas and challenges managers faced in trying to apply these theories to achieve effective motivation. In determining what prevented managers from effectively applying motivational theories to the work setting we decided to find out how involved employee were to the development of the company.

Only **three** out of the **twenty** respondents were affirmative about employee involvement in the company development. The remaining **seventeen** respondents indicated that they were encountering minimal to no involvement in their company development. Four out of the **seventeen** noted that even though there had been a series of negotiation on salaries and wages in their companies' management had not been able to declare any substantial increment in salaries and incentives because his company could not declare profit from its previous year and had a lot of debt to pay. He added that these have led employees to pretend they are working and this has affected productivity drastically. Another respondent from the banking industry noted that; 'employee involvement in company development is virtually humdrum' (Interview 009). She added that this was because the company is a state-owned one and due to change in management, there is restructuring going on in the company businesses. She was however optimistic as management had initiated Employee Survey which is aimed at seeking views and suggestions from employees, the restructuring process might improve in their next financial year.

For respondents who acclaimed employee involvement in company development as being adequate, they believed that it could still be better. One respondent from the insurance sector claimed that employees recognize that the company is very vibrant among their competitors and employees continuously anticipate growth in the company. He added that employees feel privileged and motivated to work for the success of the company. Another respondent from the banking industry also applauded employee involvement but also cautioned that there were some few dishonest individuals who are most often fished out, queried or dismissed. Another respondent also claimed that employees are very involved in company development because management are able to indicate performance margins and this is done on a weekly basis through a 'Monday briefing section' with all employees being aware of the progress of the company. This pushes employee to perform to meet company's expectation as there is a sense of involvement among employees.

## **5.7 Difficulties faced in implementing motivational strategies for employees**

This question was to identify the specific difficulties managers faced when they set up motivational strategies for employees. According to a respondent, in the case where rewards are based on performance, undeserving employees feel highly disappointed and in some cases the employee become demotivated. In other cases while rewards challenges other employees to perform better, the appraisal method made it impossible to achieve the set target which makes it a demotivating factor for them.

A respondent from the banking industry also indicated that in some cases where motivational strategies are set such as goal setting, there is a tendency of inadequate workload per capacity of employee and when faced with such issues, the employee in question has only little to be appraised for. One respondent also cautioned that some strategies were not welcomed by employees because employees always compared themselves with other colleagues in the same industry to judge if they are being fairly treated. She added that the moment an employee feel unfairly treated, strategies might not be accepted or adapted by employees.

Some respondents also said that most often senior management or board of director's disapproves strategy implementation and also in some cases strategies are implemented to a point and then they are restructured. She added that these do not all motivational strategies to achieve its objective. A respondent from the Oil and Gas industry believed that motivational strategies are good but they have to be communicated properly to employees since the way employees may interpret these strategies might be different and therefore the strategy might fail to succeed its purpose.

## 5.8 Employee Working Conditions

Here were interested to see if there were any conditions at work that may be affecting employee motivation. We also wanted to know **if employees were** happy with their current working condition or if they still yearn for improvement. For this question some respondents indicated that employees were fairly treated whilst other also felt the employees were not fairly treated.

For those respondents who believed that employees were fairly treated, one of our respondent claimed that he hardly received any complain of unfair treatment at his work place. He further said that the current working conditions were fairly okay and he believes employees were happy to work. Another respondent also said that he believes only a few number of people will admit that their working conditions are adequate but **in** his opinion, he thinks there is always room for improving the working condition of employee so far as the company can afford it. Another respondent also attested to the fact that employees are fairly treated in regards to salary and allowances but she recon that much is to be desired regarding employee promotion and training. A respondent from the banking industry also believed that working conditions were very challenging but yet, employee treatment was fair considering the current direction in which management is trying to streamline processes and cut down cost. Another respondent also believed that employees feel fairly treated because they get the opportunity to be trained most often to develop their career.

**Respondents** who claimed that employees did not feel fairly treated indicated that most problems employee faced regarding fair treatment were overdue promotions, discouraging



monetary rewards, little or no employee benefits in terms of healthcare, educational support etc. **Six** respondents also claimed that employee treatment was cumbersome at the moment because employees are underpaid as compared to colleagues in the same industries and also management has failed to define clear path for employee to be remunerated since he rewards in her company was commission based. A respondent also claimed that most often he encounter's employees who feel they are not fairly treated and these employee most often crave for better salaries, incentives or benefits but he as a manager can only recommend but the decision to curb the situation is beyond his control, senior management of board of directors have the final say.

## **5.9 Relationship between Employees' Reward and Their Work Input**

This question is intended to investigate the balance between employee work input and reward since the main aim giving reward is to encourage performance or productivity at the work place. During our interview there were different responses to this question, some **of the** respondents affirmed that there was a balance between employee reward and work input whilst other were of a different opinion.

**Three** respondent from the banking industry claimed that there was balance between employee work input and reward but one argued that this does not occur all the time. She added that some employee end up doing more work than expected but at the end of the day, even one on the same level is rewarded with the same value. **Another** respondent from the Oil and Gas industry also claimed there was a balance between employee reward and work input because his company sets goals and once goals are achieved or exceeded, individual performance are evaluated and are rewarded accordingly.

The remaining **sixteen** respondents were pessimistic about employee rewards and work input balance, one of them from an insurance company claimed it was unfortunate he really does not see this balance since employee productivity does not really increase after an increase in salary. He however added that most often rewards that go across board do not challenge lethargic employees to increase their input. Another respondent from a similar business also instigated that employee reward and work input is not directly proportional to each other. He

noted that his current work input is higher than his reward and if he is personally asked to appraise himself, he will put himself two levels above his present level. A respondent from a financial industry also confirmed that employees in her company put in more effort but their rewards were not satisfying enough. A respondent from a banking industry was also pessimistic of the fact that employee rewards are not proportional to the work input of employees because all rewards were given across board, irrespective of one work input. These rewards tend to be viewed as an entitlement rather than a reward as a result of performance. She added that senior management was considering the implementation of performance based rewards scheme and hoped this would help change things for the better.

## **5.10 Other Difficulties and Challenges**

The interviews also pointed to other challenges managers faced in implementing motivational programs at the work setting some of which are discussed below. Some respondents noted that it was difficult to maintain the balance between management expenses and profit and therefore it makes it difficult to reward deserving employees because of insufficient funds at the end of the financial year. Other managers also said they do not have a final say for rewarding employees, they can only appraise and recommend rewards but most final decision are taken by Senior management and Board of Directors.

One issue that came up was the lack of employee enthusiasm and interest in performance of the appraisal system. Some employees' feel there is gross unfairness in the implementation of the appraisal system since they envisage favouritism and biasness on the part of management and supervisors. Some managers also expressed their worry of performing appraisals for employees which focused more on the group level. These respondents noted that it is essential that individual contributions should also be incorporated as rewards done across board made some employees feel unfairly treated when they compare their efforts and inputs with other colleagues.

## **5.11 Do You Feel Employers Have A Good Sense Of What Will Motivate You?**

As indicated in the literature review, effective rewards are a result of a partnership between managers and employees. We thus wanted to know respondents view on whether they felt their managers had a good sense of what would motivate them. Out of the **twenty** respondents, only four indicated that they felt employers had a good sense of what would motivate them. These respondents claimed that their employers were aware of what will motivate them were because sometimes management held durbars and forums over issues of work conditions, employee performance and corporate success and such issue address important indicators for employee motivation. One respondent felt his employer had little idea of what would motivate him while the rest noted that they were certain their employers had no idea of what would motivate them. These last batch of respondents noted that their sense of certainty stemmed from the fact that their employees never bothered to ascertain from them what they value and therefore were not in a position to effectively motivate them. **As noted by one respondent notes:**

**‘I don’t think my employer has a clue as to what will motivate me. The fact is, he does not even bother to ask us, the employees. I feel if he made the effort by say having asking us or even making us put’ Interview 014**

## **5.12 Summary**

The analysis of the interviews points to a number of interesting perceptions about the use of rewards as motivation. The views expressed by the respondents indicate that while reward is essential in the work setting as a motivational tool, it has to be done appropriately and in the right mix. Overindulgence or reliance on one particular reward system over the other can be detrimental while the work environment needs to be examined to ensure that work itself serves as a motivation for employees.

## **CHAPTER 6: CONCLUSION AND RECOMMENDATION**

This final chapter begins with a summary of the entire study by reviewing the purpose of the study, methodology used, and findings of the research. Following this is an examination of the conclusions made in relation to the literature on the use of rewards as motivation for employee

performance. The chapter concludes with an outline of the recommendations and implications of the study for further research.

The purpose of the study was in three fold: To explore people's perceptions of the use of rewards as motivation for employee performance, **and to** ascertain the kinds of rewards employees considered most beneficial. The research was informed by the literature on the use of rewards as motivation. The literature points to the fact that while motivation of employees is a critical aspect of human resource management, often there exists a gap between what employees consider most beneficial and what they actually receive from their organizations. According to the literature, this situation is the result of a multiple of interrelated reasons. First, there seems to be a lack of understanding on the part of management of the needs, aspirations and nature of human beings, and what they value. This lack of understanding therefore culminates in managers lumping all employees into a homogeneous entity and ignoring their individual differences in terms of valence.

Semi-structured, face-to-face interviews were conducted with **twenty participants (nine females and eleven males)** drawn from the Accra and Tema municipalities of the Greater Accra region of Ghana. The respondents were asked about their perceptions of the use of rewards as motivation for employee performance and the challenges managers face in employing motivation theory in the work setting.

The interviews suggest that while the use of rewards, especially monetary ones is pervasive in most organizations they don't end up fulfilling the purpose of its use; which is to motivate employees. **The respondents noted that in most cases because** monetary rewards and benefits are given at the end of the year to everyone; it becomes an entitlement which they look up to regardless of their level of performance.

Additionally, the interviews pointed to the need for managers to have understanding of what drives employees to work or perform. As noted by Maslow, individuals have various degrees and levels of needs which they attempt to achieve. The satisfaction of one need therefore does not serve as an end if his motivational quest but a platform to achieve an even higher need. **Thus, while monetary rewards may be important to employees at the beginning of the**

**beginning of their employment, their needs, desires and aspirations change over time, thereby culminating in more complex motivational goals.**

Another issue that came up was the need to vary the types of rewards given to employees. As noted by Atchison (2003), the constant repetition of a particular reward leads to ineffective motivational practices. This is because; human beings are motivated by a variety or combination of things instead of any one particular thing. When the use of variation is thus applied, or more exciting forms of rewards are given it serves as challenging and interesting to employees which then serves as motivating factor for higher productivity.

In all, the accounts analyzed in this thesis suggest the need for a more critical review of the use of rewards as motivation. The interviews suggested the need for management and employees to work in partnership to come up with appropriate reward programs and schemes to actually motivate employees. Moreover, the interviews suggest the importance of both extrinsic and intrinsic rewards in motivating employees. As indicated by Drake (2007), in attempting to motivate employees, it is crucial that managers do not focus or try to replace intrinsic rewards with extrinsic ones and vice versa since both play vital roles. Extrinsic and intrinsic rewards are thus meant to be complementary and not replacement for one another.

**Additionally, the accounts point to the need for managers to ensure that the environment is structured such that it becomes challenging enough for workers. This way, work itself becomes a form of motivation which will ginger people to higher performance. Finally, the interviews suggests the need for elimination**

The findings of this research contribute to the field of motivational studies through an exploration of perceptions of the use of rewards by a sample of people in the Greater Accra region of Ghana. In view of stories that suggest inadequate motivational programs and rewards, it is important for researchers studying rewards and motivation to further understand factors that contribute to such. Such research study might help to probe into other factors besides what has been noted by this research which are equally important to achieve effective motivation.

Even though this research focused on a very small sample of the Ghanaian working population, it is our hope that it will serve as a platform for future research that will cover a larger population which will be more representative and thereby more generalizable.

Whatever the nature of future investigation, it is essential that research on motivation continue to be conducted not only to add to the academic literature but also to help inform managers and other interested parties on factors that will lead to a more motivated workforce, who are willing to give of their best to their organizations.

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## **Appendix A: Motivational Theories**

## **i. Similarities between the EGR Theory and Maslow's Hierarchy of Need Theory**

Alderfer EGR theory reduces Maslow's hierarchy of need to three levels since research had shown that Maslow's hierarchy overlap. ERG represents these three levels of needs:

- a. **Existence:** This refers to our concern with basic material existence motivators.
- b. **Relatedness:** This refers to the motivation we have for maintaining interpersonal relationships.
- c. **Growth:** This refers to an intrinsic desire for personal development.

The EGR theory does not just reduce the distinction between Maslow's overlapping needs but it also identifies and improves upon the shortcomings of Maslow's Needs Hierarchy.

This theory acknowledges the fact more than one need may motivate an employee at the same time. Thus, managers need not to satisfy a lower motivational need before moving on to a higher motivational need. Unlike Maslow's Need Hierarchy; the order of needs can be different for different people, ERG takes account of the cultural background of employees in satisfying their needs. The ERG also acknowledges that; frustrating a higher order need may cause an individual to regress in order to increase their satisfaction of a lower-order need which appears easier to satisfy.

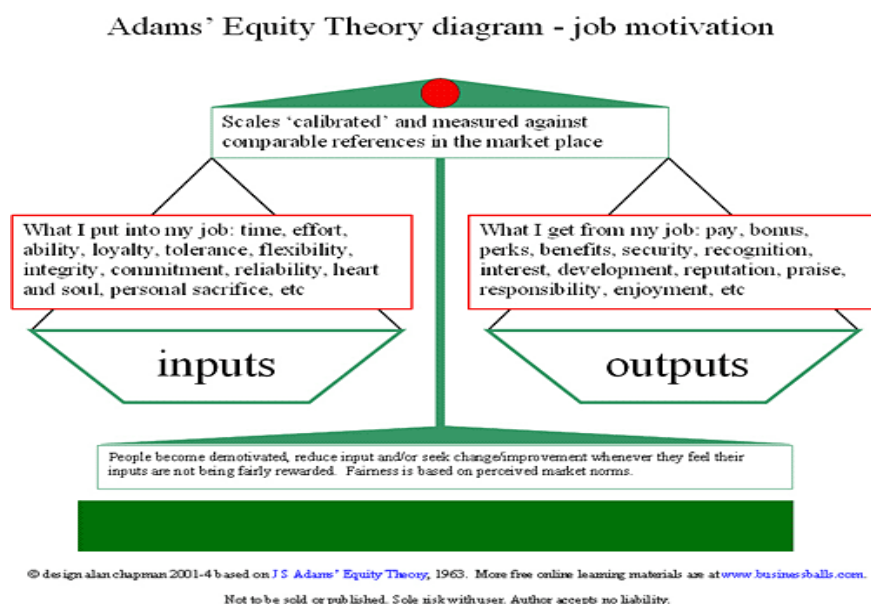
## **ii. Porter and Lawler Expectancy Theory**

Porter and Lawler (1968), attempt to link motivation to performance. They developed their model on the basis of Vroom's expectancy theory. Their model draws on the fact that it is not always the case that motivation produces performance, but a range of variables such as the individual's perception about the whole work setting.

### iii. Adam's Equity Theory

John Stacey Adams (1963) introduced the Equity Theory of Job motivation as a contribution to the paradigm of motivation. This theory does not only focus on the individual self but rather, it takes into consideration, other people's situation such as colleagues and friends in the same job or similar job. Individual's current working condition can only be judged as fair or unfair, when there is a reference point to judge their condition or terms of service. Salaries, wages, incentives or benefits are key areas from which employees can refer to and judge their condition of work. An example is; comparing the wages of other people doing the same jobs but in different companies.

According to Adams (1963); equity is achieved when the balance between the individual and the comparison target is achieved. Meanwhile, inequity would arise when the perceived balance is disturbed in either a positive or negative direction. In other words; people are more likely to be motivated, when they feel they have been fairly treated but if otherwise; they are likely to feel dissatisfied or demotivated. Adam concludes that the process of comparison can produce two possible outcomes, equity or inequity.



Source: Businessballs.com

Figure 5: Adams' Equity Model

According to Adams Equity theory (1963), people look at rewards as a ratio of their input versus output with respect to a benchmark (for reward comparison), thus employees expect balance or fairness between their effort delivered and its expected reward. If what employee deliver should match what reward or benefit they receive, then there exist fairness between employees and their employers, if otherwise, then the problem of dissatisfaction arises. For employees to reach a conclusion of fairness, they judge their current situation(input-to-output ratios) against a reference , thus they compare the treatment other employees are being given on a similar job and use that as their reference point or bench mark to judge whether they are being treated fairly or not. If there is any unbalance between their effort-to-reward ratio, then employees feel dissatisfied and tend to look for alternate approach such as; reducing the pace of productivity, developing a passive approach to work, causing unrest or agitation against their employers and in some cases; employees may resort to an alternate job.

Adams (1963) concludes that; if there is a balance between the input-to-output ratios, then employees will perceive their rewards (output) as adequate and fair, they become motivated and continue to deliver at the same level of output. Erratically, if there is an imbalance between the input-to-output ratios, then employees become demotivated, this may result in employees reducing their inputs. Demotivated employees feel unfairly treated and may respond to job or the employer in diverse negative ways such as:

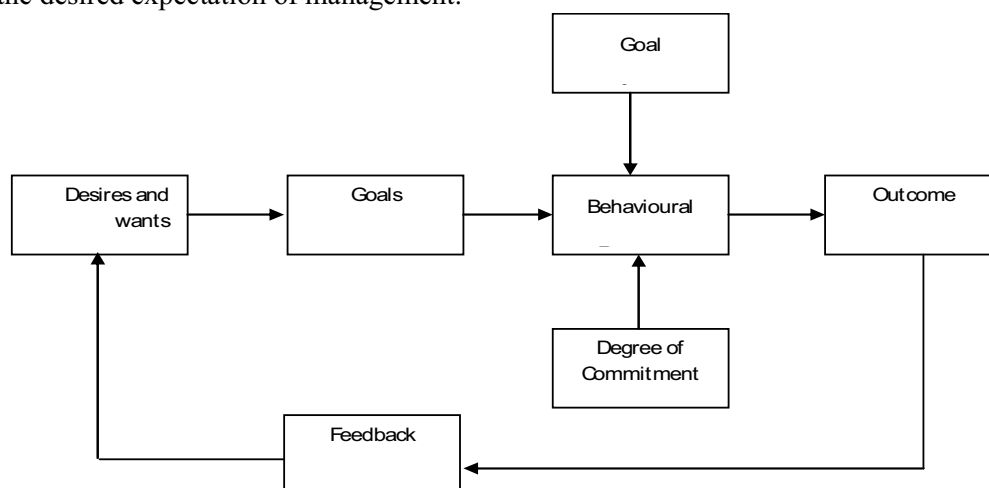
- a. Reducing their effort to work
- b. Becoming inwardly dissatisfied
- c. Becoming outwardly difficult, disobedient or even troublesome.
- d. Seeking to improve their inputs by demanding increased rewards.
- e. Seeking an alternative job.



#### iv. Locke's Goal Theory

Locke (1968) indicates that people's objective play an important role in formulating their behavioural patterns. In the work setting, this is a mechanism of motivating people to behave in a certain manner to suite the organizations desire and is also a way for the employer to deliver the employees desired objectives. This situation tends to shape the employees behaviour and achieve improved performance.

Locke (1968) notes that performance appraisal emanates from the process whereby an employee who meets the required performance standards, expected by management, is rewarded with a higher salary, promotion or career development opportunities. The whole idea of performance appraisal is a feedback mechanism which influences the employee to deliver the desired expectation of management.



**Figure 7: Locke's Path Goal Theory Model**

The path goal theory indicates a number of issues surrounding goal setting and feedback that can significantly influence the outcome. Such issues are that:

- a. Specific goals are more likely to be achieved
- b. Completion dates for a set goal has to be specific
- c. Difficult goals are more likely to be achieved than easy goals.

# Appendix B: Sign

Blekinge Institute of Technology

Masters in Business Administration (MBA).

Information Letter

Thank you for your interest in this study.

The title of study: Rewards as Motivation for Employee Performance

Researchers: Cynthia Eshun & Frank Kwaku Duah

For this study we are recruiting volunteers over the age of 18 years who are employees or managers or supervisors. Volunteers are asked to participate in a 45 – 60 minute interview that covers such topics as the use of rewards as motivation, rewards which employees consider beneficial and the dilemmas or challenges managers face in applying motivation theory to work setting.

The following rights are assured to all volunteer participants

- 1). Volunteers may withdraw from the study at any time and for any reason without penalty.
- 2). Volunteers are under no obligation to answer any interview question that they consider invasive, offensive or inappropriate.
- 3). Volunteers are assured that all personal data will be kept strictly confidential and that all information will be coded so that their names are not associated with any answers. Only Cynthia Eshun and Frank Kwaku Duah will have access to the data.
- 4). Please note: Unfortunately volunteers will not receive any payment for their participation.

If you have any further questions about your possible participation in the study, you may contact +233-26547149 or +233-2444462716.

# Appendix C: Informed Consent

Blekinge Institute of Technology

Masters in Business Administration (MBA).

Title of Study: Rewards as Motivation for Employee Performance

Researchers: Cynthia Eshun & Frank Kwaku Duah

Name of Participant: (Please print) -----

I understand that this study in which i have agreed to participate explores the use of rewards as motivation for employee performance. As a volunteer participant, i have agreed to participate in a 45 – 60 minute interview that covers such topics as indicated above. I understand that the interview will be tape recorded and then transcribed and that i will have an opportunity if i wish, to review and revise the transcript before it is included in the database for this study.

I understand that my participation in this study is voluntary and that i may withdraw from the study at any time and for any reason without penalty.

I understand that there will be no payment for my participation.

I understand that there is no obligation to answer any interview question which i consider invasive, offensive or inappropriate.

I understand that all personal data will be kept strictly confidential and that all information will be coded so that my name is not associated with my answers. I understand that only Cynthia Eshun and Frank Kwaku Duah will have access to the data.

Participant Signature -----

Date -----

I have fully explained the procedures of this study to the above volunteer.

Researcher Signature -----

Date -----

## Appendix D: Interview Questions

1. What reward schemes are in place for employees and how are these schemes implemented?
2. Do these rewards schemes actually motivate employees?
3. What other thing would you consider as most rewarding or motivating for you?
4. What are the factors that motivate employees?
5. Do monetary rewards always motivate employees? Do employees seek further motivation packages such as achievement, promotion, training etc?
6. In your own perspective, how do you think rewards can best be design to effectively motivate employees for an effective performance?
7. How involved are employees in company development?
8. What difficulties do you face in implementing motivational strategies for employees?
9. How will you rate employees' current working condition? Do they feel fairly treated?
10. Is there a balance between employees' reward and their work input?
11. What are the major difficulties you face in rewarding or motivating employees?
12. Do you feel your employers have a good sense of what will motivate you?

# Appendix E: Appreciation

Blekinge Institute of Technology

Masters in Business Administration (MBA).

Title of Study: Rewards as Motivation for Employee Performance

Researchers: Cynthia Eshun & Frank Kwaku Duah

Thank you very much your participation in this study of the use of rewards as motivation for employee performance. This study is made possible by the corporation of people such as yourself who are willing to share their time and experiences. It is hoped that this study will advance understanding of how employees can be adequately rewarded to enhance motivation at the workplace.

If you have any questions or concerns about your participation in the study, you may contact Cynthia Eshun and Frank Kwaku Duah on +233-265-470149 or +233-244-462716. A written summary of the findings will be available upon request.